

The purpose of this amendment is to put a ceiling on income taxes which the legislature can levy to eight per cent. That gives a leeway of one half of one per cent if it reached an emergency and needed that tax.

Mr. President, with the enormous income tax now imposed by the federal government and with seven and a half per cent income levied on the citizens of Maryland, including capital gain, the tax burden in the income tax field is tremendous and we cannot, we cannot allow this to happen where the federal government keeps increasing and the State keeps increasing. We want a little income left in the pocket of the tax earners and taxpayers. The purpose of this amendment is to place a ceiling. Now, there is a second clause to this which gives some leeway. If the federal government reduces, then we can increase proportionately through the reduction made by the federal government. There are some who do not want the second clause to this, and, Mr. President, if I might, I would like to introduce this amendment in its entirety and if it fails that way, then I would like to strike the second clause beginning with the word "except" in line 9 and have a simple limitation of nine per cent on the second go. If I might be able to do that without printing up another amendment, I would like to take two flings at this amendment, one in its entirety and one without the second clause.

THE CHAIRMAN: My problem is only the purely mechanical one. It would be in order to offer the second amendment consisting only of the first part of the first one. If there is not any objection to not re-printing it, it would be permitted.

DELEGATE WEIDEMEYER: The second clause has this concept. There has not been much incentive from the states and much urging to get the federal government to reduce its tax structure and I feel that if this is adopted as part of our new Constitution, probably other states will see the light of day and they will place tax limits on income taxes in their constitution and allow their legislatures to go up proportionate to any federal reduction. Now, here is how the thing would work. When the president and the federal authorities have programs which they wish the states to initiate, if we and other states have this program in our constitution, then our governor is enabled to say, Mr. President, and members of the federal government, if you want us to go ahead with these programs, we need more tax dollars and if you will reduce the federal income tax under our

constitutional provisions, we can proportionately raise the state income tax. The tax burden on the taxpayer will be no greater overall, but we in the State will have more revenue and we can go on with those programs on our own without asking for federal aid and assistance. Mr. President, I think I have explained it as much as it ought to be explained. I hope that this amendment passes.

THE CHAIRMAN: Delegate Case.

DELEGATE CASE: Mr. Chairman and members of the Committee, Delegate Weidemyer brought this proposal before our Committee and the Committee gave a great deal of thought, serious and otherwise, and the Committee decided not to recommend it and its records show it. The principal reasons why this proposal was turned down by the Committee are, first, a definitional reason: you will note that the amendment speaks in terms of taxable income, excluding deductions and exemptions, and it is very difficult for me and I have dealt in tax matters for a long number of years to say what that means because taxable incomes usually exclude deductions and exemptions. The use of the word "therefore" is confusing. The more important reason, however, for the action of the Committee was the inherent complexity of the proposal. You will note that the tax, and this is what I think Delegate Weidemyer directed part of his presentation to — the language beginning after the word "exemptions" in line 9, allowing for a mathematical adjustment, if the federal tax goes down, which is hardly likely to happen — it would, it seems, add another element of complexity to our tax laws which is not either necessary or desirable. The third and most important reason is, of course, that this is not a matter for the constitution. It would be tragic, in my judgment, if the State were hemmed in or hamstrung by a definitional rate for any tax. Much as I hate to say it, I think the taxes will continue to increase as far as the State is concerned, but to put a limit of nine per cent or three per cent or six per cent or any other per cent in the constitution is just bad business and should be avoided. For all of these reasons, therefore, the Committee decided not to adopt Delegate Weidemyer's suggestion, good intentioned though it may be, and I would certainly hope that the Committee of the Whole would follow the advice of the Committee on this subject.

THE CHAIRMAN: Does any other delegate desire to speak in favor of the amendment?